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USSR-SOUTH KOREA: Soviets Evasive About Shootdown

The Soviets have provided little information about the downed South Korean jetliner and seem to be taking a tough, uncompromising line in their private remarks about the incident. [REDACTED]

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TASS has reported only that air defense fighters tried to assist an unidentified intruder to the nearest airfield but received no response to their signals and warnings as the aircraft continued its flight toward the Sea of Japan. Officials have answered private inquiries, saying only that the aircraft did not land on Sakhalin Island. The Soviet Ambassador in Tokyo has complained that Japanese media are using the incident to fuel an "anti-Soviet" campaign. [REDACTED]

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Comment: Moscow yesterday probably spent a great deal of time gathering reports from the military units involved. Official Soviet comments thus far appear to be preparing the groundwork for a defense of the action as in full compliance with Soviet law, which permits use of the armed forces to stop border violators that cannot be detained by other means. [REDACTED]

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The USSR has shown increasing sensitivity to alleged violations of its airspace and territorial waters in the Northwest Pacific over the past few months. The Soviets made an official protest in April that US carrier planes operating off the Kuril Islands had intruded into their airspace north of Japan.

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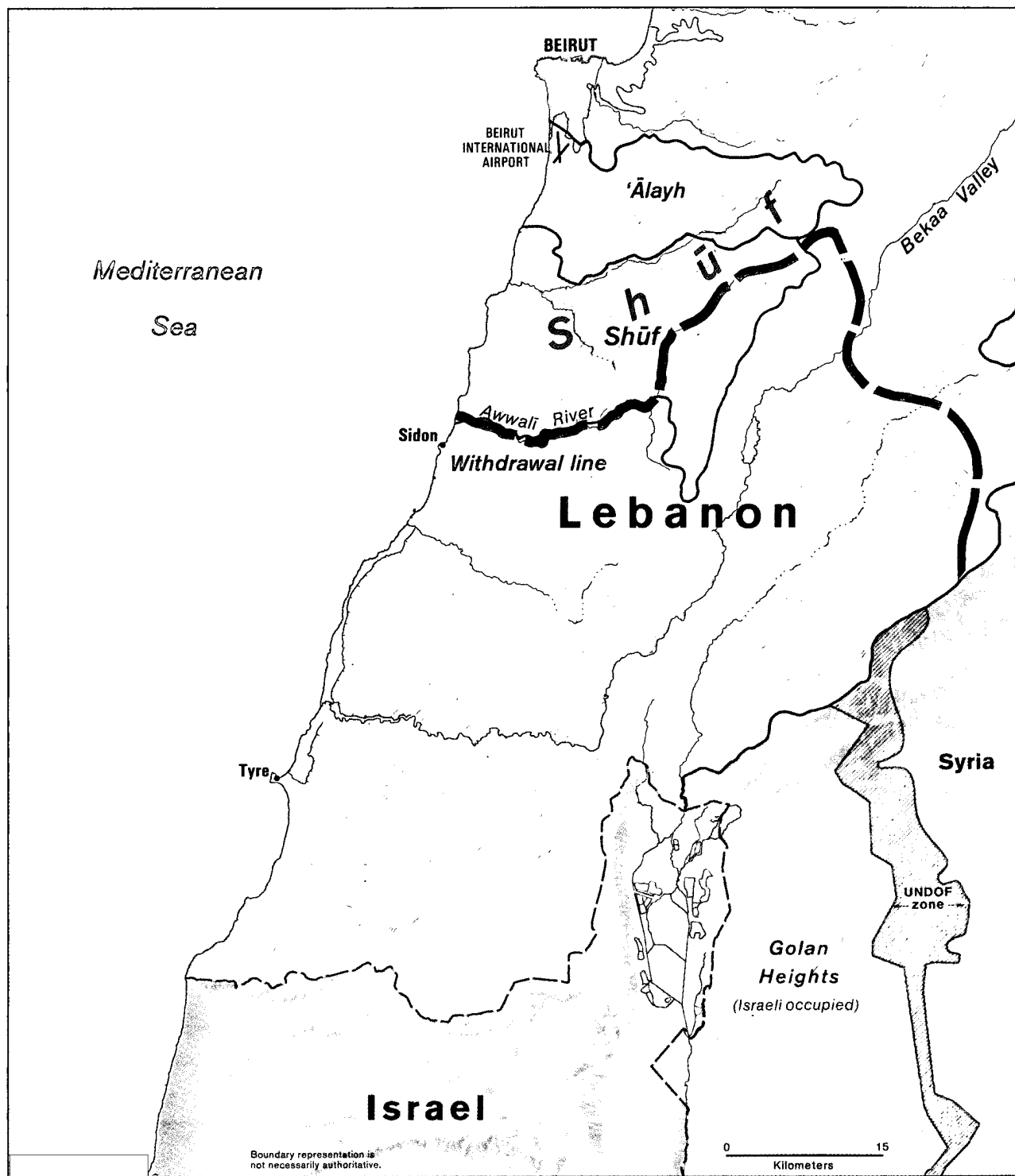
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LEBANON: Delay of Army Deployment

The threat of renewed fighting in West Beirut probably will delay the Lebanese Army's deployment into the Shuf and Alayh districts when Israeli forces begin their withdrawal. []

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There were no reports of major clashes in West Beirut yesterday, but Shia Amal militiamen are maintaining a strong position in the city's southern suburbs. Druze fighters shelled East Beirut and the area around the US Ambassador's residence. []

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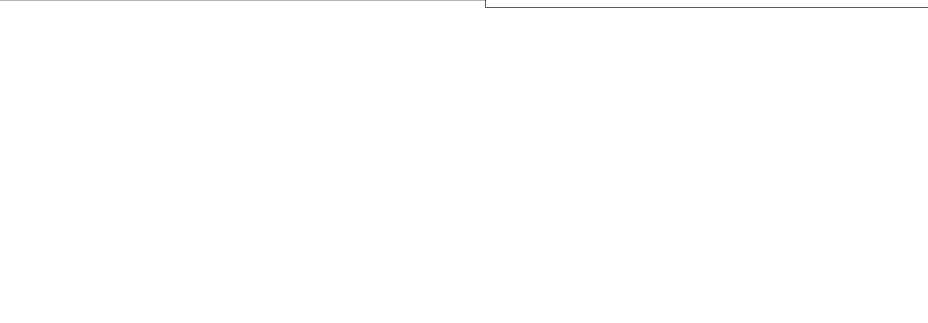
Druze leader Walid Junblatt yesterday publicly threatened that his forces would attack US Marine personnel, and he accused the US of providing logistic support for Lebanese Army operations. The Syrian-backed National Salvation Front yesterday rejected President Gemayel's call for a national dialogue. []

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The government claimed yesterday that Druze fighters massacred 24 Christian villagers on Wednesday. []

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The US Embassy in Tel Aviv reports that, beginning on Sunday, Israel still intends to withdraw its forces from the Shuf to new positions south of the Awwali River. []

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Comment: The Lebanese Army probably will not be prepared to move into the Shuf immediately following the Israeli withdrawal. Army units in West Beirut are likely to remain there until the government's control is more firmly established. When the government decides to send troops into the contested Alayh-Shuf region, Muslim militia groups in West Beirut probably will renew their attacks on Army units remaining there. []

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To obtain greater security, the Israelis may begin the withdrawal tomorrow night. They probably will complete most of their redeployment within 24 hours. Once the Army takes up its new positions, Tel Aviv is likely to decrease its troop strength in Lebanon from 13,000 to less than 9,000. []

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WESTERN EUROPE-LEBANON: Prospects for Multinational Force

West European contributors to the Multinational Force in Lebanon plan no policy changes in response to fighting in Beirut, but they are becoming increasingly worried about the situation. []

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French Defense Minister Hernu announced on Wednesday that there is no question of withdrawing French forces or reducing their number, despite the death of four French soldiers in Beirut on Tuesday. The press reports that President Mitterrand has ruled out any expansion of French forces and has cautioned the cabinet that France will not be drawn into the Lebanese civil war. French media say the aircraft carrier Foch is going to Lebanon both as a show of force and to stand by in case an evacuation is necessary. []

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The British Foreign and Commonwealth Office and the Italian Foreign Ministry also have announced they will not change the mission and composition of their MNF contingents. In a telephone call on Tuesday to Druze leader Walid Junblatt, however, Italian Prime Minister Craxi emphasized that additional casualties, especially in the Italian units, would cause major difficulties. []

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The UK and Italy are joining the US in making parallel demarches to Syria expressing strong support for Lebanese President Gemayel and urging Damascus to use its influence to end the factional violence. France has declined to follow suit, however, arguing that non-Arab intervention at this time would make the situation more difficult. []

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Comment: The three European contributors remain firm in their support for the MNF, but escalation of the fighting and further casualties probably would increase pressures at home for a reassessment of their commitment. Their attachment to the MNF is likely to diminish if they believe US support for it is being reduced. Additional fighting may prompt Paris to urge the US even more strongly to persuade Tel Aviv to reach a settlement with Beirut that would visibly strengthen Gemayel's position. []

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FRANCE-LIBYA-CHAD: Stalemate Continues

France and Libya continue to strengthen their military positions in Chad, but both seem eager to prevent renewed conflict that would risk direct fighting between their troops. [REDACTED]

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The French continue to fly in additional armored vehicles, artillery, and antitank weapons. Paris also has asked the US for more Stinger surface-to-air missiles. [REDACTED]

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In a recent French policy statement to Washington, Paris maintained that it seeks the withdrawal of Libyan troops from Chad and internal peace. The French now insist that partition is not an acceptable solution, while making it clear they will not support President Habre's hopes to retake Faya-Largeau. [REDACTED]

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Habre's forces continue to reinforce their positions at Salal and Arada, but they reportedly are beginning to suffer numerous desertions. [REDACTED]

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Comment: The magnitude of French logistic efforts indicates Paris is prepared to support its forces over the long haul. Libya probably reasons that a prolonged stalemate will produce the most pressures for a French withdrawal. The French-African summit in early October will present the next opportunity for French efforts to try to enlist support for political reconciliation in Chad. [REDACTED]

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Habre is eager for a new offensive but can do little to dislodge the Libyans without French support. He fears the current stalemate will devolve into a partition of Chad, with Libya controlling the north. He believes his position will slowly deteriorate as trouble increases in the south and his own northern troops lose their fighting edge. [REDACTED]

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USSR-PAKISTAN: Possible Exploitation of Unrest

Moscow has been encouraged by the continuing unrest in the Sind Province and probably is looking for ways to exploit it to weaken President Zia's position. [REDACTED]

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Soviet media initially ignored the disturbances, but they are now portraying the government as moving brutally to quell a nationwide campaign of civil disobedience aimed at ending military rule. The press is attributing the unrest to massive popular dissatisfaction over Pakistan's new military relationship with the US and its role in aiding the Afghan insurgency. [REDACTED]

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Last week Zia told two US Congressional delegations that both the USSR and India had a hand in fomenting the disturbances in the Sind. He provided no evidence to substantiate his allegations, however, and the US Embassy is skeptical of them. The demonstrations have in fact been led by Sindhi politicians not known for their ties to the Soviets. [REDACTED]

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Comment: The Soviets probably believe that, if a center-left coalition comes to power in Pakistan, it would recognize the regime in Kabul and cease aiding the insurgency. They presumably will try to encourage pro-Soviet elements in the opposition to join forces with the Sindhis and try to spread the unrest throughout the country. [REDACTED]

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The USSR's past efforts to exploit internal opposition to Zia, however, have been hampered by the government's close surveillance of Soviet activity. In addition, leftwing forces in Pakistan are divided and have been unable to seize control of the largest single opposition group, the Pakistani People's Party. Moscow probably also realizes that blatant interference on its part might serve to mobilize domestic and foreign support for Zia. [REDACTED]

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UK: Meeting of Trades Union Congress

The British Trades Union Congress, which begins its annual meeting on Monday, probably will address the continuing problems of the Labor Party and debate its relationship with the government.

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Comment: Several unions want to reexamine their ties with the Labor Party because a recent union-sponsored report documented a collapse in the party's trade union vote in the national election in June and gave a pessimistic assessment of longer term working class support for Labor. Although the party-union alliance is unlikely to change fundamentally any time soon, union leaders will warn Laborites to stop their infighting or risk losing crucial financial support.

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The Congress also will review the Labor Party leadership races next month, when the union vote almost certainly will be decisive. With leftwinger Neil Kinnock the clear favorite to replace Michael Foot, lobbying will concentrate on the deputy's post. Moderates will campaign for Roy Hattersley, who is facing a powerful challenge from leftist Michael Meacher, as the only selection who will avoid further splintering of the party.

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Moderate and leftwing union leaders are likely to argue over proposals—also supported by Prime Minister Thatcher—to open a dialogue between the unions and the government on proposed trade union legislation. Leftwingers will demand a hard line. The Congress probably will approve only exploratory discussions, limited initially to specific subjects.

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The Congress will have to deal with another struggle for control of its General Council. Leftwingers hoped to capture a majority, but moderates have been able to change the membership rules to give them a better chance to retain control. Nevertheless, the Congress will probably reendorse leftwing policy positions, including unilateral nuclear disarmament.

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MEXICO: State of the Union Speech

President de la Madrid probably strengthened public support for continuing austerity in his first state of the union address yesterday. He acknowledged that financial problems and particularly unemployment are still severe, but he claimed that his policies have distributed the austerity burden equally and would limit further economic deterioration. The President expressed pride in his administration's record of reducing federal deficits substantially without sacrificing individual liberties and social rights. In contrast to the nationalization of the banks by his predecessor last year, de la Madrid also pledged that his government has no intention of nationalizing the economy. []

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Comment: The tone and content of the speech are likely to increase foreign and domestic confidence in the President's ability to stabilize the economy. The speech also will reinforce public acceptance of tough government policies as fair and equitable. Formal recognition of business's role in the economy should reduce concerns over creeping socialism. []

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WEST GERMANY-SAUDI ARABIA: Complications in Tank Sale

The postponement of Chancellor Kohl's visit to Israel as a result of Prime Minister Begin's planned resignation will complicate the West German Government's consideration of sales of Leopard II tanks to Saudi Arabia. Kohl had wanted to discuss the issue with the Israelis before reaching a decision. West German officials have told him he needs to have an answer ready when he visits Saudi Arabia in early October. A high-level source in West German industry has told US officials that the Saudis have made the Leopard II an essential part of an offer to buy \$10 billion worth of West German industrial products. []

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Comment: Foreign Minister Genscher continues to oppose selling tanks to Saudi Arabia, although he reportedly agreed earlier this year that Bonn should approve the sale. He may try to persuade Kohl—who favors the sale in principle—to delay a decision until after the change in leadership in Israel can be assessed. Despite expected pressure from West German industry and powerful factions in Kohl's own party, the Chancellor would be unlikely to approve the deal without compensating the Israelis. []

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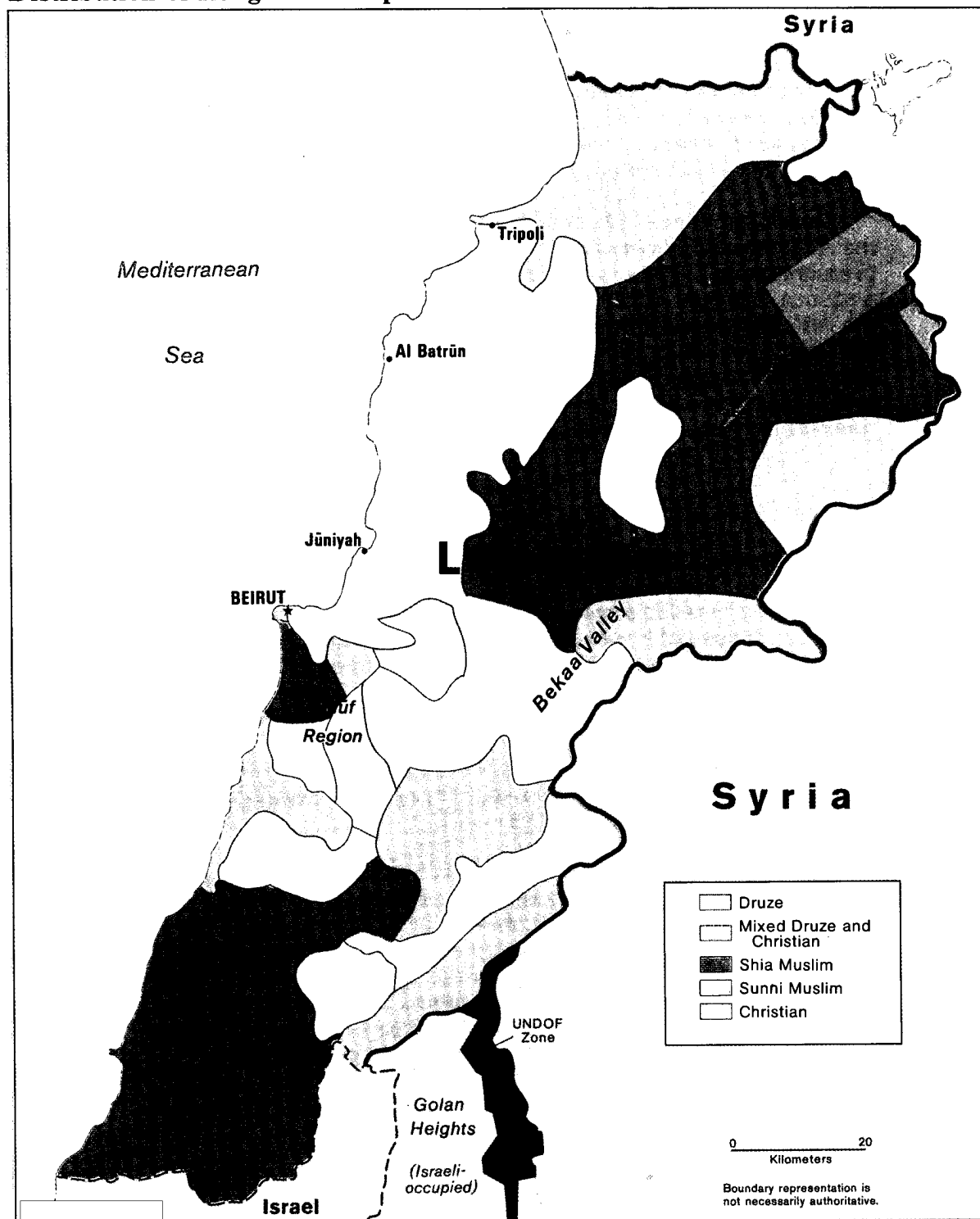
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Distribution of Religious Groups

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Special Analysis

LEBANON: Repercussions of the Fighting in Beirut

President Gemayel's aggressive use of the Lebanese Army in Beirut this week probably was intended in part to weaken his political opponents before entering any serious discussions on national reconciliation. Despite the Army's success in West Beirut, most Muslim fighters are likely to have escaped with their weapons and will eventually reemerge from hiding and try to reclaim their positions. Opposition leaders, convinced that Gemayel is intent on preserving Christian political influence, will turn to Syria for increased military and political support. [redacted]

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[redacted] The government apparently decided to get tough with its Muslim and Druze opponents, even though these actions would imperil efforts to reach a political solution on deployment into areas to be evacuated by the Israelis. [redacted]

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The Army sweep on Monday of the southern Shia slums reversed the government's previous policy of avoiding major clashes with Muslims. The US Embassy reports that, once the fighting began, Army Commander Tannous recommended against initiating a dialogue with opposition leaders until the Army had suppressed the militias. [redacted]

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The Army's Performance

The initial Army sweep backfired when Muslim militias overwhelmed thinly manned Army positions along the Green Line and in the commercial district. The Army succeeded in regaining control of much of West Beirut, but it evidently had to abandon its attempt to clean out the Shia militia strongholds in the southern suburbs. The heavy Druze shelling of East Beirut yesterday was intended as a retaliation for the Army offensive. [redacted]

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Barri and Druze leader Walid Junblatt have long argued that Gemayel intended to use a rebuilt Army to suppress his opponents and avoid reforms that might reduce Christian political power. Many Muslims and Druze believe that the Army's actions this week confirm these fears. []

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The government now risks renewed factional fighting in the capital if it sends Army troops to the Shuf. In addition, the Army will face stiff Druze resistance if it tries to replace the withdrawing Israelis. []

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Political and Military Prospects

Gemayel's decision to confront Muslim and Druze militias probably has ruined already dim prospects for a political solution any time soon. Barri, who had refrained from openly opposing the government, apparently feels betrayed by Gemayel's actions. More important, Junblatt has indicated that negotiations with the government are no longer possible. []

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Without broader political support, the central government's prospects depend largely on the Army's capabilities and cohesion. Despite its success in Beirut, the Army probably cannot handle prolonged, simultaneous factional fighting in the capital and in the Shuf. In addition, factional tension in the military will increase if the Army continues to operate exclusively against Muslim and Druze forces and allows the Christian Lebanese Forces militia to operate with impunity. []

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Muslim and Druze attacks against Christian villages are likely to increase, especially against those not defended by Army units. Such attacks will provoke retaliation by the Christian Lebanese Forces, who have so far not been actively involved in the current fighting. []

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Syria will continue to support Druze, Muslim, and other pro-Syrian militias, and it will put pressure on its Lebanese allies to hold out for significant concessions from Gemayel. Damascus probably hopes that continued domestic unrest in Lebanon will force Beirut to accommodate its interests, including abrogation of the Israeli-Lebanese agreement. With continued factional fighting, the Damascus-backed National Salvation Front is likely to propose sweeping demands for a government of national unity and constitutional reforms designed to reduce Christian influence in the government. []

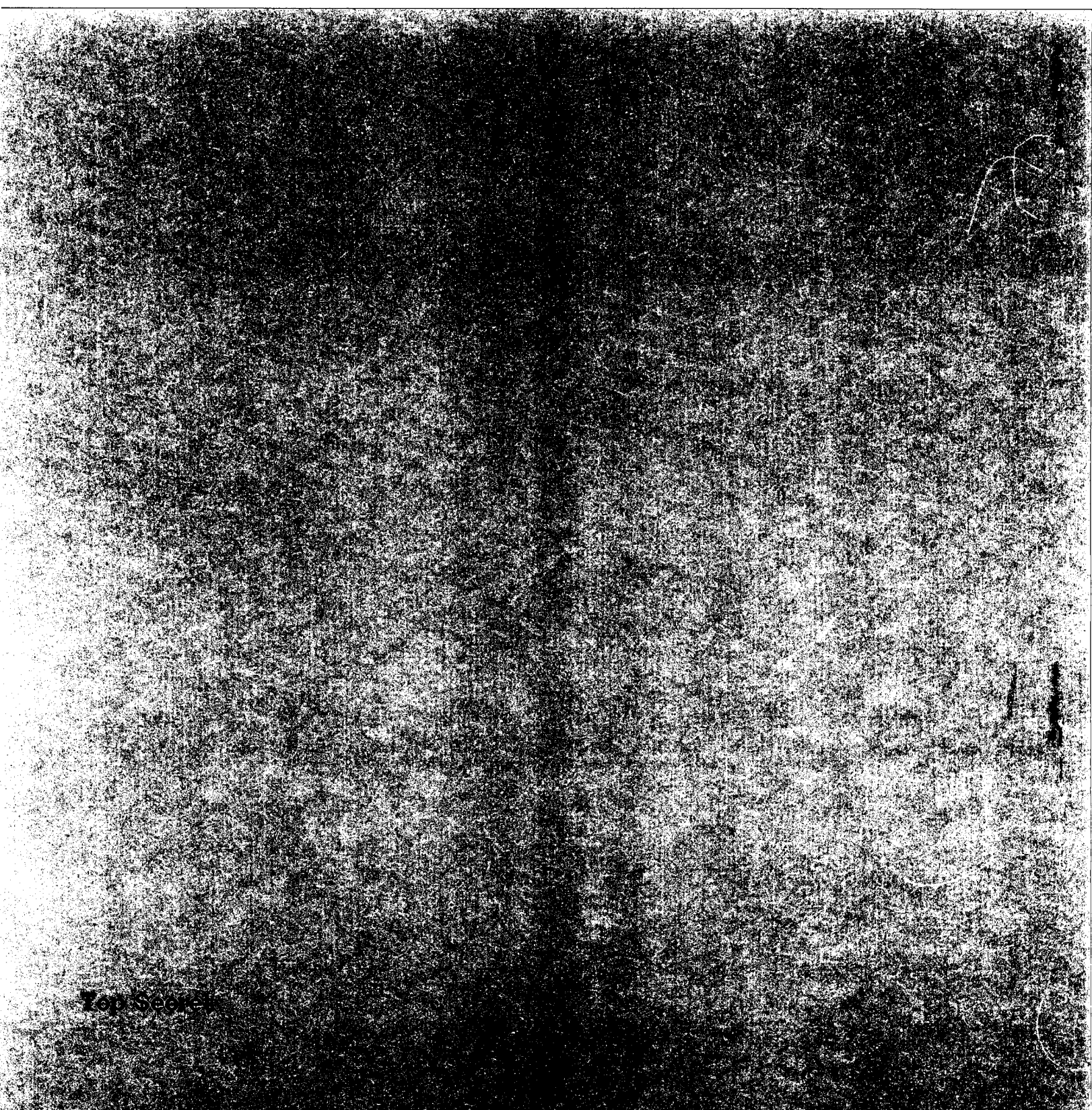
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